

AMENDED IN SENATE MARCH 26, 2008

SENATE BILL

No. 1354

Introduced by Senator Torlakson

February 20, 2008

An act *to amend Section 17070.63 of, and to add Section 17070.36 to, the Education Code, relating to school facilities.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1354, as amended, Torlakson. School facilities: construction.

The Leroy F. Greene School Facilities Act of 1998 requires the State Allocation Board to allocate to applicant school districts, prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition. The act requires the board to annually *to* adjust the per-unhoused-pupil apportionment for new construction to reflect construction cost changes and for modernization to reflect inflation, as set forth in the statewide cost index for class B construction as determined by the board. *A school district is required, as a condition of the receipt of funds, to certify that the grant amount and local funds are sufficient to complete the school construction project for which the grant is intended.*

~~This bill would require the State Allocation Board to establish a procedure by which a school district that receives an apportionment of state funds for a new school site may receive additional funds before completion of construction if the additional funds are necessary to ensure that the state provides 50% of the total and final allowable and necessary project costs authorize a school district instead to certify to the board and State Department of Education that the amount of the state grant and local funds is insufficient to complete a school~~

construction project that the department approved as a complete school. The bill would authorize the Superintendent of Public Instruction to develop a procedure by which a school district that certifies the state grant amount and local funds are insufficient to build a complete school project would be required to demonstrate the need for additional state funding. The Superintendent would be required to conduct a postoccupancy project audit for educational adequacy. If the Superintendent concurs with the school district that funding is insufficient, the Superintendent would be required to provide notice to the State Allocation Board regarding the audit and the board would be required to include the notice on the agenda of the next scheduled board meeting. If the board concurs that funding is insufficient, it would be required to provide additional funding, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) The economic and social prosperity of the state relies on a
- 4 public education system that is in tandem with the growth and
- 5 needs of the state. The strength of the state economy and social
- 6 fabric is measured by a future citizenry and a workforce educated
- 7 by the public schools and the ability of the workforce to compete
- 8 globally.
- 9 (2) The investment in the public school system should support
- 10 a world-class education to nurture future competitive advantage.
- 11 The state investment in schools includes funds for school
- 12 construction and renovation conducive to academic achievement.
- 13 (3) Californians overwhelmingly support the investment of
- 14 public money in the public schools and have passed over \$56
- 15 billion for school construction.
- 16 (4) The Legislature and the Governor enacted the Leroy F.
- 17 Greene School Facilities Act of 1998 (Chapter 12.5 (commencing
- 18 with Section 17070.10) of Part 10 of Division 1 of Title 1 of the
- 19 Education Code) to make building and renovating public schools
- 20 more time efficient and cost effective by providing school facilities
- 21 funding on a per-pupil basis and restoring the flexibility for public
- 22 school districts to make local decisions to meet local needs.

(5) It was the intent of the Legislature and the Governor, with the enactment of the Leroy F. Greene School Facilities Act of 1998, to share equally the cost of building new schools with local communities.

(6) The voters in approving Proposition 1A in 1998 believed that the state would provide half the cost of building new schools.

(7) Over the last several years, studies were conducted by the state and other organizations to assess the level of school funding provided by the state and local school districts. The studies show that the current per-pupil grants do not provide fifty percent of new school construction costs.

(b) Therefore, it is the intent of the Legislature to fulfill the commitment of the state to the people of California when the Legislature passed and enacted the Leroy F. Greene School Facilities Act of 1998 to share an equal cost of building the complete schools that will enable educators to provide a world-class education and produce the citizenry and workforce of the 21st century.

SEC. 2. Section 17070.36 is added to the Education Code, to read:

17070.36. (a) ~~The board shall establish~~ *Superintendent may develop a procedure by which a school district that receives an apportionment of state funds for a new school site may receive additional funds before completion of construction if the additional funds are necessary to ensure that the state provides 50 percent of the total and final allowable and necessary project costs. school district that certifies, pursuant to Section 17070.63, that the state grant amount combined with local funds is insufficient to build a complete school project would be required to demonstrate the need for additional state funding, including, but not limited to, the demonstration of any of the following:*

(1) The school district has exercised diligence in value engineering the project in order to reduce project costs.

(2) The school district has reviewed and considered deductive alternates to reduce project costs.

(3) The school district cannot construct ancillary facilities or support areas, including, but not limited to, multipurpose rooms, libraries, gymnasiums, playfields or play areas, with the state grant and required local match contribution.

1 **(b)** *The Superintendent shall conduct a postoccupancy project*
2 *audit for educational adequacy. Upon completion of the project*
3 *audit, the department shall issue one of the following:*

4 **(1)** *A certification of compliance that the project was completed*
5 *as approved by the department and funded by the state.*

6 **(2)** *Notice to the board that the school district did not complete*
7 *the project as approved by the department and funded by the state,*
8 *whereby the board may rescind the additional funding provided*
9 *to the school district pursuant to paragraph (3) of subdivision (d)*
10 *of Section 17070.63.*

11 **SEC. 3.** *Section 17070.63 of the Education Code is amended*
12 *to read:*

13 17070.63. **(a)** *The total funding provided under this chapter*
14 *shall constitute the state's full and final contribution to the project*
15 *and for eligibility for state facilities funding represented by the*
16 *number of unhoused pupils for which the school district is receiving*
17 *the state grant. As a condition of receipt of funds, a school district*
18 *shall may certify that the grant amount, combined with local funds,*
19 *shall be sufficient to complete the school construction project for*
20 *which the grant is intended or may certify that the grant amount,*
21 *combined with local funds, are insufficient to complete the school*
22 *construction project approved by the State Department of*
23 *Education as a complete school.*

24 **(b)** *Any funds provided to a school district under any article in*
25 *this chapter may not be counted towards the local match for receipt*
26 *of funds under any other article in this chapter.*

27 **(c)** *Any savings achieved by the district's efficient and prudent*
28 *expenditure of these funds shall be retained by the district in the*
29 *county fund for expenditure by the district for other high priority*
30 *capital outlay purposes.*

31 **(d)** *If a school district certifies, in accordance with subdivision*
32 *(a), that the funds received, combined with local funds, are*
33 *insufficient to complete the school construction project as approved*
34 *by the State Department of Education as a complete school, the*
35 *district shall provide written notice to the Superintendent of the*
36 *funding deficiency.*

37 **(1)** *Upon receipt of a notice by a school district pursuant to*
38 *subdivision (d), the Superintendent shall do the following:*

39 **(A)** *Evaluate the project pursuant to subdivision (a) of Section*
40 *17070.36.*

1 (B) If the Superintendent concurs that the district has
2 demonstrated need pursuant to subdivision (a) of Section 17070.36,
3 the Superintendent shall provide a written recommendation and
4 notice to the board that the State Department of Education has
5 been notified that the state and local funds are insufficient to build
6 a complete school approved by the department.

7 (2) Within 30 days from the date the board received notice by
8 the Superintendent, the board shall include the notice from the
9 Superintendent on the agenda of the next scheduled board meeting.

10 (3) If the board concurs with the recommendation by the
11 Superintendent, the board shall take action within 60 days to
12 ensure that funding for the project, not to exceed 50 percent of the
13 project costs, as approved by the department, is provided to the
14 district. The board shall provide up to 100 percent of the project
15 costs for school districts that qualify for hardship assistance
16 pursuant to paragraph (1) of subdivision (b) of Section 17075.10.